

September 14, 1959

MEMORANDUM OF CONFERENCE WITH THE PRESIDENT
September 14, 1959

Others present:

Secretary Herter, Secretary Dillon,
Secretary Murphy, Secretary Merchant,
Ambassador Thompson, Mr. Kohler,
Secretary Anderson (first few minutes
only), General Persons, Mr. Hagerty,
General Goodpaster

Secretary Anderson said he had wanted to express his concern regarding any tendency to think of a joint effort with the Russians through SUNFED to aid the underdeveloped countries. The President said he had no thought of expanding the use of SUNFED, where a great many countries would be making decisions on this matter when they were supplying little or none of the resources. Mr. Anderson went on to say that he is fearful of any joint development effort with the Soviets because they use a managed currency and would be putting in money of inferior quality while we were putting in hard dollars. The President said he had simply thought of inviting the Russians to contribute resources in support of projects that had been set up and cleared by the World Bank. Mr. Anderson said that the Russians are not being invited into the IDA.



The President said that the suggestion he has been putting forth presupposes a complete change in the international atmosphere, in which the Russians would want to act cooperatively and constructively rather than in "cold war" measures. Mr. Anderson said another problem is that they would be enabled to send Soviet agents out all around the world. He said he is strongly desirous not to get into a mutual effort with the Soviets.

The President said what he has been trying to do is to hold out before the Russians the possibility of their functioning on the same basis as any other country.

Mr. Anderson said that the recent discussion over these possibilities has resulted in some of the other countries shying away from the IDA

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proposal and tending to favor SUNFED. The President repeated that he is not thinking of SUNFED in this connection. Mr. Anderson recalled that de Gaulle, some time ago, had said he would favor inviting the Soviets in to a joint operation. The President said de Gaulle had told him that France has a special task. As a result, they do not have the resources to take on projects outside the community, and did not want to let anyone else initiate efforts within the community, always excepting the United States. De Gaulle stressed that his effort is to try to defeat the unilateral penetration in Africa by the Soviets. At this point Mr. Anderson left the meeting.

The President said that everything about Mr. Khrushchev's visit has been marked by poor behavior -- the matter of dress, the schedule and itinerary, and now the "Lunik" shot for propaganda purposes. He commented that he does not see much hysteria building up over the Lunik shot.

Mr. Herter said that the first discussion meeting was planned for 3:30 the following day, and asked the President how much he wished to cover in that meeting. The President said he was trying, through Mr. Khrushchev's visit, to make one big effort to see if the Soviets will loosen up and adopt a cooperative approach to world problems. We had to anticipate that whatever was brought up for discussion in the first meeting would be used by the Russians to make public speeches for propaganda purposes. Mr. Herter thought that in general it should be possible to leave detailed substantive discussions for Camp David, perhaps using the initial meeting to arrange a schedule of later meetings. The President said he would leave to State to work out details such as this. He was more interested in the question, what should he throw at Mr. Khrushchev in the first meeting. If State has one or two key questions, he could hit those at the first meeting.

The President then went on to say that if there is no progress evident as a result of Mr. Khrushchev's visit here, he did not intend to return the visit. Ambassador Thompson commented that, by sending our major national figures to Russia, we are, in effect, going over the heads of the Russian government. The impact on the Russian people is very great. If the President visits Russia, the effect will be profound and long lasting. The President commented

that he has made no public conditions about going to Russia, and therefore retains complete flexibility.

The President said he intended to tell Khrushchev quite directly that his position on Berlin is unacceptable, and that some progress must be found if negotiations are to be continued.

Mr. Herter recalled that the President had thought of impressing upon Mr. Khrushchev the possibility of his gaining a respected place in history through wise and constructive use of the power he now holds. The President said he would do this, having present no one but Mr. Khrushchev and his interpreter. Mr. Murphy thought it would be best to have two interpreters present so that the United States would have a valid record, and Ambassador Thompson agreed.

Mr. Kohler then referred to the "briefing book" furnished the President which listed topics Mr. Khrushchev is expected to raise during the meeting. Mr. Herter suggested that the President could stress the concept of opening up to visits by citizens of the other country. Ambassador Thompson suggested that we press them to send more correspondents; he thought it was unlikely that the Soviets would open additional areas for foreign travel. Mr. Murphy commented that a great deal of completely false official information is being sent back to the iron curtain countries. ::::::::::::::::::::: He thought Mr. Khrushchev might be told in a discreet way that he is receiving very bad reports. The President agreed that this would be a worthwhile topic to stress, bringing out that we want more wide open travel in both countries -- that we favor the free penetration of ideas.

It was suggested that Khrushchev would be likely to challenge our foreign bases. The President asked that a list of such bases and the dates they were built be put together, relating these dates to international developments such as the take-over of Czechoslovakia, the Berlin airlift, etc.

The President asked what our stand should be regarding trade. He thought we should take the position that we will trade if they will tell us what they have to sell. Mr. Herter said that all the evidence is

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that they really want medium- and long-term credits to finance the building up of our heavy industry. The President said that, so far as he knew, we would be ready to sell for gold. Mr. Dillon said he thought we would be willing to sell them steel pipe, copper wire etc. The real problem is that what they have are the things we are now buying elsewhere. A shift would disrupt existing trade relations. The President said that if we take strategic items off the list, i.e., weapons and the things that go into making weapons, he saw no reason why we should not export other commodities. Mr. Dillon suggested that we take up trade toward the end of the Camp David discussions, since our position probably will not be wholly satisfactory to the Soviets. It is clear that they want credits more than anything else. The President asked the State Department to propose a time for this discussion, and for Mr. Dillon to be present at that time. He thought this could take place on Sunday. He is planning to go to early church on Sunday -- at 9 AM. Advisors on both sides could be brought up to discuss trade. Mr. Herter asked if the President was planning to have a press conference during the week, and the President said he was thinking of having one on Thursday. Mr. Hagerty commented that Khrushchev would be answering questions at the Press Club on Wednesday. They are not supposed to be screened by the Russians; Mr. Lawrence says he will cancel the question and answer period if the Russians insist on screening them.

The President said he planned to read his welcoming remarks and toasts in order to underline that the visit is official in character. Regarding the anticipated exchange of gifts, the President said he would prefer to give something now, "paying off" now for the gifts he receives. This would leave open the question of whether he will later go to Russia; if he does, he realizes he may have to "pay off" again. He thought the State Department should send Mr. Khrushchev's gift to a museum or to Abilene in order to emphasize its official character. Mr. Kohler commented that the Russians, being Orientals in outlook to a considerable degree, place a great deal of stress on exchange of gifts. I commented that I understood the Steuben people had a bowl available that could be made ready as a gift for Mr. Khrushchev. The President thought ^{this} should be done. He would give this for himself and Mrs. Eisenhower. He anticipated that Mrs. Eisenhower would also give Mrs. Khrushchev a silver framed picture.

A. J. Goodpaster
Brig. Gen., U. S. A.